



Single Audit Report

2006-07



***Arnold Schwarzenegger, Governor
State of California***

Tess Gormley

From: FISAUDIT [saudit@dof.ca.gov]
Sent: Tuesday, August 05, 2008 1:36 PM
To: John Duncan
Cc: Ben Diao; Skip Close; Flora Casuga; Tess Gormley
Subject: Fiscal Year 2007-08 California Single Audit: Status of Prior Audit Findings
Attachments: Prior audit findings status request Attachment.doc

Importance: High

To: Agency Secretaries and Department Directors

In accordance with the reporting requirements of OMB Circular A-133, a Summary Schedule of Prior Audit Findings (Schedule) is to be included in the State of California's Single Audit Report for fiscal year 2007-08. Because your agency had reportable findings concerning the administration of federal grants in the prior fiscal year's (2006-07) Single Audit Report, a written status report of corrective action with respect to those findings is required. When providing your response, please follow the prescribed format described on the attached form. Your response and those of other agencies will be used to prepare the Schedule provided to the Bureau of State Audits (Bureau). The Schedule and Bureau comments thereon will be included in the State's 2007-08 Single Audit Report.

To facilitate your response, here are the reference numbers for your prior year audit findings:

2007-2-1
2007-3-1
2007-8-2
2007-12-4

The 2006-07 Single Audit Report can be found at:

http://www.dof.ca.gov/osae/audit_reports/documents/Single_Audit_Report_2006-07.pdf

Please provide the status report to us **no later than September 1, 2008**. Your prompt attention to this matter is appreciated.

The response can be faxed to (916) 322-2618, e-mailed to fisaudit@dof.ca.gov, or mailed to:

Diana C. Antony, Manager

Department of Finance

Office of State Audits and Evaluations

300 Capitol Mall, Suite 801

Sacramento, CA 95814

If you have any questions, please call Diana C. Antony, Manager, at (916) 322-2985, Ext. 3139, or Sophia Santiago, at Ext. 3111

VARIOUS STATE DEPARTMENTS

Reference Number:

2007-15-1

Condition

State departments do not always report their employees' taxable fringe benefits and business expense reimbursements. Federal and state tax laws require that employers report income and related tax amounts for payments other than regular wages, including fringe benefits and business expense reimbursements. Fringe benefits—cash, property, or services received in addition to regular pay—are reportable as taxable income unless specifically excluded or deferred in Internal Revenue Service (IRS) regulations. Examples of such taxable reimbursements include mileage compensation for commuting or personal travel between home and office when employees must work overtime (overtime or callback mileage), payment for employees' meals when they must work overtime or travel for 24 hours or less without lodging, and the value of personal use of state vehicles.

The State Controller's Office (Controller's Office) informs state departments through its payroll procedures manual and its Payroll Letters about the IRS and state requirements for reporting taxable fringe benefits and taxable business expenses. State departments must report employees' taxable fringe benefits and business expense reimbursements to the Controller's Office by the 10th of the month following the month in which the payments were made. The Controller's Office then calculates and deducts the required taxes.

Despite these requirements, some state departments did not consistently ensure that all employees' taxable benefits or taxable business expense reimbursements were being reported to the Controller's Office. We followed up on concerns we reported for five departments for fiscal years 2004–05 and 2005–06. We summarize the results of this review in Table 3 on the following page.

We reported concerns for fiscal year 2005–06 at five departments—the Department of Housing and Community Development (Housing), the Department of Fish and Game (Fish and Game), the Department of Health Services (Health Services), the Department of Industrial Relations (Industrial Relations), and the State Personnel Board (Personnel Board). We performed a follow-up review of the reporting of employee taxable benefits and reimbursements at these state departments for April 2007 through June 2007, the period since our last review. Our review found that three of the five departments continued to have reporting problems. Specifically, we reviewed 75 travel expense claims at Fish and Game and found that it again did not always report to the Controller's Office the taxable fringe benefits arising from employees' travel and overtime expense reimbursements. We also found that Fish and Game, Industrial Relations, and the Personnel Board still did not always ensure that they reported the personal use of state vehicles to the Controller's Office.

When state departments do not properly report their employees' taxable benefits and business expense reimbursements, the Controller's Office cannot calculate and withhold the related tax, as required by federal and state laws and regulations.

Table 3**Reportable Items Reviewed That Were Not Reported to the Controller's Office in Fiscal Year 2006-07**

STATE AGENCY	TOTAL NUMBER OF TRAVEL EXPENSE CLAIMS WITH REPORTABLE ITEMS REVIEWED	ITEMS NOT REPORTED		
		OVERTIME/ CALLBACK MILEAGE	MEALS FOR TRAVEL OF 24 HOURS OR LESS/ OVERTIME MEALS	EMPLOYEES WITH PERSONAL USE OF STATE VEHICLE*
Department of Fish and Game	12	NA	5	1
Department of Industrial Relations	NA	NA	NA	NA
State Personnel Board	NA	NA	0	2
Totals	12	NA	5	8

Note: Some travel expense claims contained more than one type of reportable item.

NA: We did not review this area because, in our prior year audit, we did not report noncompliance.

* Personal use of state vehicles is reported on documents separate from travel expense claims.

Criteria

The Controller's Office payroll procedures manual, sections 120 through 176, provides procedures for reporting to the Controller's Office taxable fringe benefits and business expense reimbursements provided to state employees. These procedures are based on federal and state tax laws. The following benefits and payments included in this manual relate to our testing of agency compliance:

- Section 129.1 states that the use of state-owned or -leased vehicles for personal commutes between home and office is reportable taxable income.
- Section 129.1.3 describes an IRS exemption for unmarked law-enforcement vehicles if the use of the vehicle is authorized by the department owning the vehicle and employing the officer and is incident to law enforcement functions and the actual facts and circumstances are documented.
- Section 129.1.3 also states that for the value of personal use of a state-owned or -leased vehicle to be excluded from income for an employee whose home is designated as his/her headquarters, certain criteria, including documentation of vehicle mileage logs, must be met.
- Section 130.1.2 states that reimbursements to employees for commuting expenses, such as expenses from commuting or personal travel between home and office, are considered taxable income. This includes callback and overtime mileage.
- Section 143.3 states that overtime meal compensation is reportable and constitutes taxable income.
- Section 145.1.2 states that meal reimbursements for travel of 24 hours or less without lodging are taxable income. Simply stated, if an employee receives reimbursement for meals during travel in which there was no overnight stay, this reimbursement is taxable income.

Recommendation

All state departments should ensure that they properly report taxable fringe benefits and taxable employee business expense reimbursements.

Departments' Views and Corrective Action Plans

Fish and Game concurs with our finding and states that it has provided training to its staff to accurately and promptly report taxable benefits. Fish and Game also states that it issued a department-wide bulletin in August 2007, as well as e-mail reminders, specifying the requirements of the personal use of state-owned vehicles.

June 2008

Industrial Relations concurs with our finding and states that it will take appropriate steps to ensure compliance with reporting requirements by the end of fiscal year 2007-08. Specifically, Industrial Relations indicates that it will develop, distribute, and enforce a policy listing the roles and responsibilities of its employees, supervisors, and managers in complying with the state and federal mandates regarding taxable fringe benefits and business expense reimbursements.

The Personnel Board concurs with our finding and states that it will revise its policy relating to the personal use of state vehicles.

DEPARTMENT OF FISH AND GAME

Reference Number:

2007-15-2

Condition

For the fiscal year ending June 30, 2006, we reported that the Department of Fish and Game (Fish and Game) had inadequate procedures for accounting and reporting its real property. We noted that Fish and Game's Land and Facilities Branch is responsible for reporting information on land to the Department of General Services (General Services) to be included in the Statewide Property Inventory and for reconciling with the Statewide Property Inventory. Its Fiscal and Administrative Services Branch, Property Unit, had the same responsibilities for buildings and improvements. Its accounting unit reported real property information to the State Controller's Office (Controller's Office) for inclusion in the State's financial statements. Fish and Game also accounted for and reported real property information for the Wildlife Conservation Board (Wildlife Conservation), using the same agency number for both agencies in the Statewide Property Inventory.

For fiscal year 2001-02, the two branches did not reconcile their data with the Statewide Property Inventory. Further, the two branches and the accounting unit did not reconcile the property listings and Statement of Changes in General Fixed Assets. Also, the accounting unit reported incorrect information to the Controller's Office. Specifically, we determined the following:

- For the fiscal year ending June 30, 2002, Fish and Game's property listings for itself and Wildlife Conservation had land of \$490.1 million, while the Statewide Property Inventory recorded \$97.6 million more.
- As of June 30, 2002, the Statements of Changes in General Fixed Assets reported land, buildings, and improvements \$105.3 million greater than the property listings showed. For the fiscal year ending June 30, 2002, the accounting unit reported real property of \$164.3 million that may not have represented completed asset purchases.
- The accounting unit overstated land additions in Wildlife Conservation's Statement of General Fixed Assets by at least \$2.5 million by including cash grants given to a nonstate entity. For fiscal year 2002-03, Fish and Game inappropriately reported \$65.9 million in cash grants as land additions and understated the gift value of land by \$46.1 million.

In October 2007 we followed up with Fish and Game to determine whether it has implemented our prior-year recommendations. We found that Fish and Game has made progress in ensuring that it reports only real property acquired for the State in its Statement of Changes in General Fixed Assets. However, our review also found that Fish and Game has not yet fully implemented our recommendations concerning reconciliation with Statewide Property Inventory and reporting real property in the period acquired. For example, 22 land acquisitions completed in fiscal year 2006-07 were capitalized subsequent to June 30, 2007.

~~regulatory provisions. OMB Circular A-87 requires the cost of fringe benefits in the form of regular compensation paid to employees during periods of unauthorized absences from the job, such as for sick leave, to be equitably allocated to all related activities, including federal awards. Although EDD has an allocation process to distribute sick leave to all activities, the sick leave hours charged on this time sheet were not included in its process. Moreover, the processing of time sheets is typically a low-dollar but high-frequency event that creates more opportunities for this type of error to occur. Therefore, it is our opinion that the control deficiency we found is more than inconsequential.~~

Reference Number:	2007-2-1
Federal Catalog Number:	17.503
Federal Program Title:	Occupational Safety and Health—State Program
Federal Award Numbers and Years:	60F6-0090;2006 60F7-0090;2007
Category of Finding:	Allowable Costs/Cost Principles
State Administering Department:	Department of Industrial Relations (Industrial Relations)

Criteria

TITLE 2—GRANTS AND AGREEMENTS, PART 225—COST PRINCIPLES FOR STATE, LOCAL, AND INDIAN TRIBAL GOVERNMENTS (OMB CIRCULAR A-87)

Appendix B to Part 225—Selected Items of Cost

8. Compensation for personal services

- h. Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.
 - (1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
 - (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Condition

Industrial Relations lacks adequate controls to ensure that the personal services costs it charges to the California Occupational Safety and Health program (program) are allowable. Specifically, Industrial Relations does not require employees who are expected to work solely on the program to complete required certifications because it indicated that it was not aware of this requirement. As a result, the awarding federal agency has less assurance that the personal services costs charged to the program are valid.

Additionally, in our review of 33 personal services expenditures, we found three instances where Industrial Relations did not ensure that the employees' Absence and Additional Time Worked Report (STD 634) were approved by a responsible official. A personnel officer for Industrial Relations explained that, although the department has procedures to prevent these forms from being filed without an authorizing signature, once in a while an unsigned STD 634 will slip through these procedures undetected. As a result of these lapses in internal control, Industrial Relations has less assurance that the leave information contained in the unsigned reports is accurate. To the extent that the federal award is eventually charged for any monetary distribution of a leave balance, any inaccurate reporting of leave can result in inappropriate charges to the federal award.

Questioned Costs

Unknown

Recommendations

Industrial Relations should ensure that it prepares the required semi-annual certifications for its employees who work solely on that program. Furthermore, Industrial Relations should ensure that, if an STD 634 form is required, its supervisors sign all STD 634 forms for their employees.

Department's View and Corrective Action Plan

Industrial Relations plans to review its STD 634 procedures and retrain staff accordingly. It also indicated that it would contact all attendance reporting officers, managers, and supervisors to reiterate the importance of obtaining all necessary authorizations in a timely manner. Industrial Relations stated that it would contact the U.S. Department of Labor to determine whether the OMB Circular A-87 is applicable to the program. If so, it indicates that it will implement procedures to obtain required certifications.

Reference Number:	2007-3-1
Federal Catalog Number:	17.503
Federal Program Title:	Occupational Safety and Health—State Program
Federal Award Numbers and Years:	60F6-0090;2006 60F7-0090;2007
Category of Finding:	Cash management
State Administering Department:	Department of Industrial Relations (Industrial Relations)

Criteria

TITLE 29—LABOR, PART 97—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS, Subpart C—Post-Award Requirements, Section 97.21, Payment

Reimbursement—Reimbursement shall be the preferred method when the requirements [for advances] are not met.

TITLE 31—MONEY AND FINANCE: TREASURY, PART 205—RULES AND PROCEDURES FOR EFFICIENT FEDERAL-STATE TRANSFERS, Section 205.2, Definitions

Pay out funds for Federal Assistance Program Purposes means, in the context of State payments, to debit a State account for the purpose of making a payment to:

- (1) A person or entity that is not considered part of the State pursuant to the definition of "State" in this section; or
- (2) A State entity that provides goods or services for the direct benefit or use of the payor State entity or the Federal government to further Federal assistance program goals.

Condition

Industrial Relations indicated that it uses the reimbursement method to obtain federal funds for the California Occupational Safety and Health program (program). However, for the monthly drawdowns reviewed, we found that Industrial Relations requested amounts exceeding the actual amounts spent. Furthermore, Industrial Relations obtained two advance payments but had no documentation to indicate that the advances had been approved by the awarding federal agency.

From the program's Federal/State Cash Reconciliation Report (drawdown report) for state fiscal year 2006-07, we selected two of the 12 monthly drawdowns to review. The November 2006 drawdown exceeded Industrial Relations' calculation of the total actual expenditures for the month by more than \$360,000. The accounting officer who processes the federal drawdowns stated that she rounds up requested amounts to be sure that the program has enough funds to cover expenditures. Our review of the drawdown report for state fiscal year 2006-07 found that this rounding appears to occur quite frequently.

We also noted that another reason for the difference between actual expenditures and the drawdowns is the discrepancy existing between the two separate accounting reports Industrial Relations uses to determine monthly expenditures. In one month, this discrepancy exceeded \$1 million. As evidenced by handwritten notes on the accounting officer's expenditure analysis, it was clear that, rather than discovering what the source of the discrepancy was, she requested reimbursement for a rounded figure that fell between the two accounting report totals. Further, the accounting officer's rounded figures were approved by her immediate supervisor, and based on the circulation of these approvals, would have been known to the Industrial Relations' accounting chief. After our inquiry into the discrepancy between these two reports, Industrial Relations discovered that one of the reports is more accurate to use than the other.

Additionally, based on the timing of the May 2007 drawdown, it was evident that the program obtained a partial advance. Specifically, the date for the May drawdown was May 24, 2007, and the expenditures associated with the drawdown were estimated through May 31, 2007, resulting in an estimated advance of more than \$500,000. Our review of the drawdown report indicated that a similar advance was obtained in June 2007. Although Industrial Relations stated that it obtained verbal permission, it could not provide us with any provisions or written approvals indicating that these advance payments were allowable. Furthermore, the individual from whom Industrial Relations stated it obtained permission is not an officer within the Department of Labor but rather an accountant within the federal Department of Health and Human Services' Division of Payment Management System. We question whether this individual could authorize an override of the reimbursement method Industrial Relations uses. By deviating from cash-management regulations, Industrial Relations risks being financially penalized by its federal oversight agency.

Questioned Costs

Not applicable.

Recommendations

Industrial Relations should request reimbursement for only actual expenditures incurred. It should discontinue the practice of rounding up drawdowns and discontinue the use of the second accounting report that is less accurate. If it finds that it needs an advance of funds, Industrial Relations should obtain written authorization prior to doing so and then follow appropriate procedures to reconcile the advance to actual expenditures incurred during that period.

Department's View and Corrective Action Plan

Industrial Relations agrees that reimbursement should only be requested for actual expenditures incurred and, if an advance of funds is needed, a written authorization should first be obtained before any drawdown is made. In addition, Industrial Relations stated that it will establish appropriate procedures to reconcile any advances with actual expenditures.

Reference Number:	2007-8-2
Federal Catalog Number:	17.503
Federal Program Title:	Occupational Safety and Health—State Program
Federal Award Numbers and Years:	60F6-0090;2006 60F7-0090;2007
Category of Finding:	Period of Availability
State Administering Department:	Department of Industrial Relations (Industrial Relations)

Criteria

TITLE 29—LABOR, PART 97—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS, Subpart C—Post-Award Requirements, Section 97.23, Period of Availability of Funds

- (a) General—Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.
- (b) Liquidation of obligations—A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee.

TITLE 29—LABOR, PART 97—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS, Subpart A—General, Section 97.3, Definitions

Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

Condition

Industrial Relations lacks adequate controls to ensure that it liquidates all obligations incurred not later than 90 days after the end of the funding period. The funding period of the federal awards used to partially fund the California Occupational Safety and Health program (program) is from October 1 of one year to September 30 of the next year. Although federal regulations require all obligations be liquidated by December 31 (90 days after the end of the funding period), Industrial Relations liquidated more than \$140,000 in program obligations from the 2006 federal award after December 31, 2006. It also liquidated roughly \$5,000 in program obligations associated with the 2005 federal award during state fiscal year 2006–07, all of which would be outside the period of availability for those funds.

In response to our inquiry regarding these expenditures, Industrial Relations stated that it encumbered funds for valid obligations during the funding period but that there were instances in which invoices were received late. However, as the examples below demonstrate, not all the obligations Industrial Relations created were based on orders placed during the funding period, and it was, in fact, the late placement of orders that contributed to invoices being received after the December 31 deadline.

In our sample of 42 expenditures, we noted that although Industrial Relations prepared a Purchasing Authority Purchase Order (purchase order) on September 28, 2006, (two days before the end of the federal fiscal year 2006), it did not order the computer equipment until November 1, 2006. Thus, a valid obligation for the funding period did not exist. Moreover, the invoice was not paid until May 2007, which is roughly four months beyond the December 31, 2006, deadline.

Because of the unusual nature of this transaction, we performed an analysis of Industrial Relations' purchase order activity. We found that between October 2005 and September 2006, Industrial Relations prepared 118 purchase orders totaling roughly \$678,000, of which 24 totaling roughly \$310,000 were prepared in September 2006. Of these 24 purchase orders, we selected five, totaling more than \$99,000, and reviewed their associated invoices to determine when the actual orders were placed with the vendors. The invoices indicated that actual order placement dates for two of the purchase orders, totaling nearly \$56,000, did not occur until October 4, 2006, and October 24, 2006, respectively. For the other three purchase orders, actual order placement dates could not be determined from the invoices. However, based on the examples cited, we are concerned that Industrial Relations is creating a number of obligations at the end of the funding period that are not supported by actual orders placed, but rather orders that it plans to place in the future. By definition, these are not valid obligations for the funding period to which they are being charged. As a result of these obligations and the amounts liquidated outside the period of availability, it appears that Industrial Relations is not in compliance with federal regulations regarding the period of availability.

Questioned Costs

\$141,644 federal fiscal year 2006 obligations paid after December 31, 2006.

\$5,230 federal fiscal year 2005 obligations paid during state fiscal year 2006–07.

\$27,322 federal fiscal year 2006 obligations that were not based on a valid order placed during the funding period.

Recommendation

Industrial Relations must establish procedures to ensure that it only charges to the award costs resulting from valid obligations of the funding period and that it liquidates these obligations not later than 90 days after the end of the funding period.

Department's View and Corrective Action Plan

Industrial Relations agrees with the finding and stated that it will strengthen internal procedures to comply with federal requirements.

Reference Number:	2007-12-4
Federal Catalog Number:	17.503
Federal Program Title:	Occupational Safety and Health—State Program
Federal Award Number and Year:	60F6-0090; 2006
Category of Finding:	Reporting
State Administering Department:	Department of Industrial Relations (Industrial Relations)

Criteria

TITLE 29—LABOR, PART 1954—PROCEDURES FOR THE EVALUATION AND MONITORING OF APPROVED STATE PLANS, Subpart B—State Monitoring Reports and Visits to State Agencies, Section 1954.10, Reports From the States

- (a) In addition to any other reports required by the Assistant Secretary under sections 18(c)(8) and 18(f) of the Act and 1902.3(1) of this chapter, the State shall submit quarterly and annual reports as part of the evaluation and monitoring of State programs.

Special provisions outlined in the federal award includes a financial report with the following frequency:

- F2. Financial Status Report (SF-269) is due in the Regional Office 30 days after the end of each Federal fiscal quarter. Recipients are to submit two signed originals of the report.
- (b) Close-out Reporting. All agreements must be closed 90 days after the end of the performance period (generally December 31). A copy of the Financial Status Report must accompany the recipient's close-out documents.

Condition

Industrial Relations submitted an inaccurate closeout report for the 2006 federal award associated with the California Occupational Safety and Health program (program). Specifically, in its closeout report for the 2006 federal award, Industrial Relations reported it spent the entire fiscal year 2006 award of \$23.1 million and had no unliquidated obligations. However, based on data from its accounting records, Industrial Relations actually had \$360,000 in unliquidated obligations at the end of December 2006.

According to a senior accounting officer, in preparing the closeout report, prior to December 31 she manually accrues or records as expenditures those unliquidated obligations that program staff indicate will be liquidated by December 31. Specifically, the senior accounting officer downloads an accounting report to identify the accrual adjustments she understands, based on information from the program, are necessary. She does not enter the adjustments into the accounting records, and they are only used to prepare the closeout report. However, this manual accrual process of zeroing out the unliquidated obligations and reporting them as expenditures is inconsistent with federal reporting requirements that Industrial Relations should report the unliquidated obligations on its closeout report.

According to the accounting chief, she was unaware that manual adjustments to the accounting records were being made. However, as the department official responsible for certifying the correctness and completeness of the financial reports, the accounting chief has a responsibility to review the process used to prepare these reports. By not accurately completing the closeout report, Industrial Relations limits the ability of the federal Department of Labor to make appropriate funding decisions.

Questioned Costs

Not applicable.

Recommendations

Industrial Relations should ensure that required financial reports are accurate and supported by its accounting records. Furthermore, Industrial Relations should require the official responsible for certifying the reports to review the underlying documentation prior to the reports being certified.

Department's View and Corrective Action Plan

Industrial Relations agrees that the federal reports it submitted were partly inaccurate because of the manual adjustments described above and agrees that it needs to establish procedures to ensure that it only charges to the award costs resulting from valid obligations of the funding period and that it liquidates the obligations not later than 30 days after the end of the funding period. Industrial Relations stated that its desk procedures have been updated to include the authorized signature or approval of the supervisor and accounting administrator before any adjustments are made.

Reference Number:	2007-12-9
Federal Catalog Number:	17.245
Federal Program Title:	Trade Adjustment Assistance (TAA)
Federal Award Numbers and Years:	TA-15886-07-55-A-6;2007 UI-15787-07-55;2007
Category of Finding:	Reporting
State Administering Department:	Employment Development Department (EDD)

Criteria

TITLE 20—EMPLOYEES' BENEFITS, PART 617—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS UNDER THE TRADE ACT OF 1974, Subpart B—Trade Readjustment Allowances (TRA), Section 617.19, Requirement for Participation in Training

(d) Recordkeeping and reporting.

- (1) State agencies must develop procedures for compiling and reporting on the number of waivers issued and revoked, by reason, as specified in paragraphs (b) and (c) of this section, and report such data to the Department of Labor as requested by the Department.

TITLE 20—EMPLOYEES' BENEFITS, PART 617—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS UNDER THE TRADE ACT OF 1974, Subpart G—Administration by Applicable State Agencies, Section 617.57, Recordkeeping; Disclosure of Information

(a) Recordkeeping.

Each State agency will make and maintain records pertaining to the administration of the Act as the Secretary requires and will make all such records available for inspection, examination and audit by such Federal officials as the Secretary may designate or as may be required by law. Such recordkeeping will be adequate to support the reporting of TAA activity on reporting form ETA 563 approved under OMB control number 1205-0016.

Instructions: Prepare a status report for each of your findings in the following format. Instructions specific to each category appear in *italic*.

STATUS REPORT

Reference Number: _____
Federal Catalog Number: _____
Federal Program Title: _____

This information can be obtained from the Single Audit Report findings.

I. STATUS OF FINDING: *(Specify the status of the finding by selecting one of the four descriptions which best applies.)*

- a. Fully Corrected: _____ Date Corrected: _____
- b. Partially Corrected: _____ Anticipated Correction Date: _____
- c. Remains Uncorrected/Agree with finding: _____
- d. Remains Uncorrected/Disagree with finding: _____

II. EXPLANATION: *(Depending on the status of your finding, provide additional explanation/information as described below.)*

^a **FULLY CORRECTED:** *If audit findings were fully corrected and the recommendation(s) were implemented, explain what steps were taken to correct the finding. If the finding is no longer valid, please describe the circumstances. If corrective action is significantly different from corrective action previously reported in the fiscal year 2006-07 Single Audit Report, then provide an explanation. If this category is not applicable, please indicate such with N/A.*

^b **PARTIALLY CORRECTED:** *If audit findings are partially corrected, describe the planned corrective action as well as any partial corrective action taken. If corrective action is significantly different from corrective action previously reported in the fiscal year 2006-07 Single Audit Report, then provide an explanation. If this category is not applicable, please indicate such with N/A.*

^c **REMAINS UNCORRECTED/AGREE WITH FINDING:** *If audit findings have not been corrected, describe the planned corrective action. If corrective action is significantly different from corrective action previously reported in the fiscal year 2006-07 Single Audit Report, then provide an explanation. If this category is not applicable, please indicate such with N/A.*

^d **REMAINS UNCORRECTED/DISAGREE WITH FINDING:** *If you disagree with the finding, your comments should explain fully the reasons for disagreement. Where disagreement is based on interpretation of law, regulation, or the authority of officials to take or not take action, the response must include the legal basis. If this category is not applicable, please indicate such with N/A.*